

Australian Committee for UNICEF Limited
ABN 35 060 581 437
Annual Financial Report – 31 December 2017

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These financial statements are the financial statements of Australian Committee for UNICEF Limited. The financial statements are presented in Australian dollars.

The company owns the registered business name UNICEF Australia and may be referred to by that name in this report.

UNICEF Australia is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Australian Committee for UNICEF Limited
Level 19, 320 Pitt Street
Sydney NSW 2000

This report was authorised for issue by the Directors on 9 May 2018.

Directors' Report

The Directors present their report for the Australian Committee for UNICEF Limited for the year ended 31 December 2017.

Directors

The Directors in office during the whole of the financial year and up to the date of this report were:

Ms Deeta Colvin (McGeoch)
Mr Matt Comyn
Ms Nadika Garber
Ms Megan Quinn
Mr Colin Storrie
Ms Olivia Wirth

The following were appointed as Directors during the year and continue in office at the date of this report:

	Date of appointment
Ms Suzanne Dvorak	8-Mar-17
Mr Toby Hall	29-Aug-17
Ms Elizabeth Macgregor	29-Aug-17
Ms Ann Sherry	15-Nov-17

The following Directors resigned during or after the close of the year:

	Date of resignation
Mr Paul Fisher	31-Oct-17
Mr John Stewart	31-Dec-17
Mr Robin Davies	28-Jun-17

UNICEF Australia - Objectives

UNICEF Australia's vision is to provide a fair chance for every child. We will provide this fair chance by being the children's champion and inspiring Australians to connect with UNICEF by raising funds and by protecting and promoting children's rights.

Over the next four years five strategic priorities will drive us to increase our impact for our two core constituencies: children and our supporters. These priorities are to: (1) accelerate our impact for children, (2) engage our supporters, (3) inspire a connection to our brand and work, (4) elevate our voice, and (5) advance a culture of excellence.

UNICEF Australia makes a positive impact for children: globally, regionally and locally. Of our total distributions to programs and community education, approximately 65% of our support is directed to global programs for health, nutrition, sanitation, child protection, early childhood development and for children caught in humanitarian emergencies; 25% of our work is in the region where we partner closely with business and government; while 10% of our efforts are directed to create impact for children in Australia.

Impact at the global level is delivered through our support of UNICEF global programs directed at both delivering the Sustainable Development Goals; and for supporting children's in emergencies. Regionally, we deliver impact collaboratively through our involvement in water, sanitation and hygiene; early childhood development; child survival and child protection programs. Locally our work focusses on ending violence against children and early childhood development.

Principal activities and results in 2017

In 2017, UNICEF Australia, through the generous support of our donors and supporters, continued working to protect and advance the rights of children in Australia, our region and across the world and to ensure each child has a fair chance.

The UNICEF Australia Strategic 'Accelerate' Plan was developed in 2017, with the overriding vision of "for every child, a fair chance". Consequently, while 2017 saw a continuation of the principal activities of fundraising, advocacy and supporting programs for children in our region directly, UNICEF Australia devoted some effort to developing a strategy to pivot toward a more ambitious plan to significantly increase our positive impact on the lives of children everywhere.

Total revenue in 2017 of \$31.0 million (2016: \$30.7 million) reflects the continued generosity and compassion of the Australian public. Gains made in the core private fundraising activities of UNICEF Australia were partially offset by reduced UNICEF Private Fundraising & Partnerships (PFP) Investment funds. Of the funds raised, \$15.2 million (2016: \$17.0 million) was committed to UNICEF international programs for the most vulnerable children in our world. Again in 2017 UNICEF Australia appealed to the generosity of Australians to provide relief to emergencies with \$3.9 million (2016: \$1.8 million) raised across the year for humanitarian aid principally in relation to food crises in Africa and the Middle East as well as the Rohingya refugees crisis and the ongoing Syrian conflict.

UNICEF Australia continues to invest in its Global Parent pledge program. The objective of securing the commitment and support of long term regular givers (Global Parents) cannot be attained without significant short term investment. To this end, UNICEF Australia continues to utilise investment grants from UNICEF PFP as well as its own resources. Consistent with this strategy, UNICEF Australia developed an in-house face-to-face fundraising campaign in 2016 with additional investments in infrastructure and human resourcing made to support this activity. While these programs show short term costs they are expected to generate healthy long-term returns which will increase our impact and ensure more children not only survive but thrive.

In 2017 UNICEF Australia gained full accreditation with the Australian Government NGO Cooperation Program (ANCP). This enabled UNICEF Australia to access increased government funds to support the Directly Supported Programs in the region. This accreditation is valid for five years and expected to become an increasingly important revenue source.

UNICEF Australia continues to raise funds from UNICEF Change for Good, UNICEF Checkout for Children, public appeals, other corporate partnerships, philanthropists, major donors and bequests. We would like to thank all our supporters for their continued support of UNICEF and its work around the world.

Key performance indicators

Key performance indicators measure UNICEF Australia's contribution to international UNICEF programs as well as the proportion of income spent on advocacy and community education activities and administration.

	2017	2016
Funds remitted to international programs	\$15,246,555	\$17,007,081
Investment in advocacy and community education	\$1,542,610	\$1,128,385
Total public donations*	\$26,504,665	\$25,671,765
Total program costs (including advocacy and community education) funded through public donations	\$16,763,242	\$18,392,716
% of public donations spent on programs (including advocacy and community education)	63%	72%
Fundraising costs funded through public donations	\$7,347,227	\$5,421,711
% of public donations spent on fundraising costs	28%	21%

Accountability and administration costs funded through public donations	\$2,586,764	\$1,816,748
% of public donations spent on accountability and administration costs**	10%	7%
% of public donations transferred (from)/to reserves	(1%)	0%

Funds remitted to international programs decreased in 2017 compared to 2016 levels due to an increase in fundraising costs associated with scaling up the in-house face-to-face programs and making substantial investments in the legacies program. Both of these provide a return over the long term but increased fundraising expense during the year. Accountability and administration costs include costs required to efficiently run the organisation and include staff costs for finance, human resources and administration as well as audit fees, insurance, rent and office maintenance. The increase in 2017 is largely attributable to a premises relocation and increase in administrative staff expense.

In line with our strategy to grow committed regular givers the following KPI's are also monitored:

	2017	2016
Number of Global Parents at year end	29,971	27,384
Total Global Parent income	\$13,587,535	\$12,204,272
% of public donations	51%	48%

* Excludes grants and non-monetary donations as these are not raised through public fundraising. Investment income is included within public donations as it is received following investment of public donations.

Operating Results

	2017	2016
	\$	\$
Revenue from continuing operations	30,986,408	30,685,830
Employee benefits	7,637,769	6,090,413
Equipment and facilities	1,176,433	1,054,496
Travel and accommodation	459,369	321,520
Fundraising Communication and Advocacy	5,176,575	4,418,524
Depreciation and amortisation	245,908	253,759
Other	570,639	601,142
Programs and projects (domestic and international)	15,246,555	17,067,081
Non monetary donations	665,728	838,305
Total expenses	31,178,976	30,645,240
(Deficiency)/excess of revenue over expenditure for the year	(192,568)	40,590
Other comprehensive income/(loss)	47,299	(13,343)
(Deficiency)/excess of comprehensive revenue over expenditure for the year	(145,269)	27,247

Australian Council For International Development (ACFID) Code of Conduct

The company is a member of ACFID and has applied the principles of the ACFID Code of Conduct for Non-Government Development Organisations. The application of these principles includes certain disclosures in the attached financial statements and notes.

Information on Directors

Ms Ann Sherry AO (Chair) is one of Australia's leading business executives with a career that spans Government, Banking and Cruise Tourism. She is currently Chairman of Carnival Australia, the largest cruise ship operator in Australasia and a division of Carnival Corporation & Plc. After joining as Chief Executive Officer in 2007, she has transformed the industry and growth has been in double digits each year since. Ann currently holds non-executive roles with National Australia Bank, Sydney Airport, Palladium Group, Australian Rugby Union, Cape York Partnerships, Museum of Contemporary Art Australia, Infrastructure Victoria and Committee for Sydney and Philanthropy Australia. The Australian Government awarded Ann the Centenary Medal in 2001 and in 2004 she was awarded an Order of Australia. In 2015, Ann was named as the overall winner of the Australian Financial Review 100 Women of Influence Award. Ann devotes considerable energy to her passion for women's rights, currently convening the MCC STEM group, opportunity for Indigenous communities, philanthropy and to the arts.

Ms Deeta Colvin (McGeoch) BA, an independent non-executive Director since 25 May 2009, Deeta has had a successful career in media and marketing. She started her own marketing and public relations company, Colvin Communications, in 1985 specialising in consumer marketing of prestige clients, mostly international brands. Ms Colvin sold her company 12 years later and was then appointed Director of Corporate Relations for PBL Media to set up a below the line division of public relations and events as well as interfacing with major clients of the group in ACP Magazines and Channel 9. In 2001 Ms Colvin was awarded an Ordre du Merite by the French Government for services to business and the arts. Ms Colvin was non-executive Director for Michael Hill International Pty Ltd from 2011 to April 2013 and is currently a non-executive director of the National Breast Cancer Foundation. Ms Colvin consults to Consolidated Press Holdings as well as a few key clients in luxury brand marketing and communications and is a member of the advisory board of the Centre for Fashion for MAAS.

Mr Matt Comyn is the Chief Executive Officer of the Commonwealth Bank of Australia. Matt has nearly 20 years' experience in banking across business, institutional, retail and wealth management. Since joining Commonwealth Bank in 1999 he has held a number of senior leadership roles including Managing Director of CommSec from 2006-2010. Most recently he was the Group Executive for the Retail Banking Services division, which accounts for half of the Bank's profit and leads development of digital products and services for the Bank. Matt is also a member of Mastercard's Global Advisory Board.

Ms Suzanne Dvorak has been the Executive General Manager, residential communities at Australian Unity since 2016 and has over 15 years' experience in health care, social and community support services. Over her extensive career she has held distinguished roles including CEO of Vivir Healthcare, CEO of Save the Children Australia and CEO of Marie Stopes International. Ms Dvorak spent much of her earlier career overseas, with roles at the United Nations Transitional Authority in Cambodia and Thailand and with Telstra in Cambodia and Vietnam. In 2005, Ms Dvorak was recognised for her outstanding career achievements when she was awarded the Hudson Community and Government Award as part of the National Telstra Business Women's Awards.

Ms Nadika Garber has enjoyed a successful career in publishing and is currently Managing Director and part owner of Hinkler Pty Ltd – a Melbourne based publishing house with offices in UK and USA. They currently sell their publications in 72 countries in 38 different languages, through many major retailers around the world. Ms Garber is the main contributor to the Sugatha Scholarship foundation in Sri Lanka, established to help children of all ages realise their educational goals which included the building of a school and library.

Mr Toby Hall was appointed CEO of St Vincent's Health Australia, Australia's second largest healthcare provider in April 2014. Prior to this, he was the CEO of Mission Australia, COO of World Vision Australia and CEO of South Taranaki District Council. He is a qualified accountant with an MBA, Toby is passionate about helping people "be the best they can be". Toby chaired ASX listed Sterihealth prior to delisting and was a director of Working Links the largest welfare to work provider to the U.K government. He has also been a director of Goodstart, Australia's largest provider of early learning services to over 60,000 children and various

Christian community organisations. He has been a member of a range of government committees and advisory panels.

Ms Elizabeth Macgregor began her career as curator/driver of the Scottish Arts Council's Travelling Gallery. Taking exhibitions on board a converted bus to remote areas and inner city estates ignited her commitment to engaging new audiences with the work of living artists. In 1989 she was appointed director of Ikon Gallery, Birmingham and in 1999 she took up the directorship of Sydney's Museum of Contemporary Art when it was facing significant challenges. To secure its future, she negotiated a new funding model with government, sponsors and philanthropists. Committed to supporting artists and expanding the audience for art, she has initiated a unique program of partnerships in Western Sydney through the C3West project and with regional and interstate galleries through touring projects. She successfully negotiated a \$53m building redevelopment completed in 2012 which includes a National Centre for Creative Learning, connecting artists with audiences across Australia and around the world. Last year, the Museum attracted over 1m visitors. Macgregor's innovation and contribution to the arts has been recognised with a Centenary Medal in 2003, the Veuve Clicquot Business Woman Award in 2008 and the Australia Business Arts Foundation Dame Elisabeth Murdoch Arts Business Leadership Award in 2008. In 2011 she received an OBE in the Queen's Birthday Honours List and the Australia Council Visual Arts Medal. In 2016 she was named NSW Creative Laureate and one of Australia's True Leaders by the AFR Magazine.

Ms Megan Quinn GAICD, an independent non-executive Director since March 2013. Ms Quinn has built a career that has spanned retailing, marketing, publishing, advertising, banking and branding across several industries. She has held a variety of leadership, senior executive, consulting, executive and non-executive board roles, utilising her strong commercial capabilities and deep expertise in brand and service offer development. One of Ms Quinn's notable achievements was co-founding Net-A-Porter in 1999. While living in London, she held executive board positions with both Net-A-Porter and Harrods. Today, Ms Quinn is the Managing Director of Q&CO Consultancy, speaks internationally, and is a non-executive Director of Specialty Fashion Group (SFH) FinTech and zipMoney (ZML).

Mr Colin Storrie FCPA, GAICD, has over 20 years' experience in senior finance roles in listed companies, investment banking and government. In July 2016 Mr Storrie was appointed Group Portfolio Director Woolworths Limited following his role of Deputy Chief Financial Officer of Woolworths Ltd. Prior to this Mr Storrie held Group Treasurer, Deputy Chief Financial Officer and Chief Financial Officer positions at both Qantas Airways Ltd and AMP Limited. Mr Storrie has also held a number of listed and non-listed director roles including Qantas Airways Ltd, AMP Bank Ltd and Jetset Travel World Ltd. He is also currently an independent non-executive director of AIG Australia Ltd, North Queensland Airports, Quantum Pty Ltd, Australia Leisure & Hospitality Ltd and other wholly owned Woolworths Limited entities. Mr Storrie is the Chair of UNICEF Australia's Audit and Risk Committee.

Ms Olivia Wirth was appointed as Chief Executive Officer of Qantas Loyalty in February 2018. Olivia is responsible for leading the airline's Frequent Flyer and Business Rewards programs and the diversification of Qantas Loyalty into digital ventures across financial services, retail, health and wellbeing, and data and marketing. She is a member of the Qantas Group Management Committee.

Olivia joined Qantas in 2009 and has held several positions, including the role of Chief Customer Officer, Group Executive Brand Marketing & Corporate Affairs and Group Executive for Government Relations and Corporate Affairs. She has over 15 years of experience in public affairs, marketing and government relations. Prior to Qantas, Olivia held senior executive roles for a number of organisations including lobby group, the Tourism & Transport Forum and the Australian Tourist Commission. Olivia is also a board member of the Great Barrier Reef Foundation.

Meetings of Directors

The number of meetings of the company's Directors held during the year ended 31 December 2017 and the number of meetings attended by each Director were:

	Board Meetings (6 held)		Audit & Risk Committee (5 held)		Programs, Policy and Advocacy Committee (4 held)	
	<i>Meetings entitled to attend</i>	<i>Meetings attended</i>	<i>Meetings entitled to attend</i>	<i>Meetings attended</i>	<i>Meetings entitled to attend</i>	<i>Meetings attended</i>
D Colvin	6	5				
M Comyn	6	5				
R Davies	3	2			3	3
S Dvorak	5	4			2	2
P Fisher	5	4			4	4
N Garber	6	4	5	4		
T Hall	3	2				
E Macgregor	3	3				
M Quinn	6	6				
J Stewart	6	6	5 * ex-officio	4 * ex officio	4	4
C Storrie	6	6	5	5		
A Sherry	1	0				
O Wirth	6	5				

The directors of UNICEF Australia serve voluntarily and do not receive any remuneration for their services as directors. Expenses incurred by directors on behalf of the company are reimbursed on a cost only basis.

Liability of members

The liability of members is limited to contributing up to \$1.00 for payment of the company's debts and liabilities, and of the costs, charges and expenses of winding up and for adjustments of the rights of the contributions amongst themselves. There were 35 members as at 31 December 2017.

Dividends

The company's constitution does not permit dividends to be paid.

Indemnification and Insurance of Directors and Officers

UNICEF Australia maintains Association Liability Insurance which provides cover for all current and former directors and officers, against all costs and expenses involved in defending legal actions and any resulting payments arising from a liability to persons (other than the Company), except where the liability arises out of conduct involving a lack of good faith. The premium paid for Association Liability insurance policy was \$3,900 (2016: \$3,900).

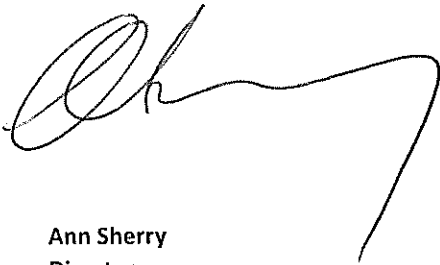
Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration that forms part of the Directors' Report is set out on page 9.

Auditor

KPMG continues in office in accordance with Section 60-C of the Australian Charities and Not-for-profits Commission Act 2012.

This report is made in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'Ann Sherry', with a long horizontal stroke extending to the right and a vertical line ending in a hook.

Ann Sherry
Director

Sydney
9 May 2018



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the Directors of Australian Committee for UNICEF Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2017 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Stephen Isaac

Partner

Sydney

9 May 2018

Statement of Comprehensive Income

For the year ended 31 December 2017

	Notes	2017	2016
		\$	\$
CONTINUING OPERATIONS			
REVENUE			
Donations and Gifts			
- Monetary		25,053,335	23,585,781
- Non Monetary		665,728	838,305
Bequests and Legacies		1,322,891	1,875,950
Grants			
- Department of Foreign Affairs and Trade		546,585	219,474
- Overseas UNICEF PFP		3,269,430	3,956,286
Investment Income		125,384	203,061
Other Income		3,055	6,973
TOTAL REVENUE		30,986,408	30,685,830
EXPENDITURE			
	2		
International Aid and Development Programs Expenditure			
International Programs			
Funds to international programs			
- UNICEF Australia directly supported programs		4,010,284	4,203,505
- UNICEF global programs		11,236,271	12,803,576
		15,246,555	17,007,081
- Program support costs		513,794	416,724
		15,760,349	17,423,805
Community Education		1,542,610	1,128,385
Total Contribution to Children		17,302,959	18,552,190
Fundraising Costs			
- Public		7,347,227	5,421,711
- Funded by UNICEF PFP		3,269,430	3,956,286
		10,616,657	9,377,997
Accountability and Administration		2,593,632	1,816,748
Non-Monetary Expenditure		665,728	838,305
Total International Aid and Development Programs Expenditure		31,178,976	30,585,240
Domestic Programs Expenditure		-	60,000
TOTAL EXPENDITURE		31,178,976	30,645,240
(DEFICIENCY)/EXCESS OF REVENUE OVER EXPENDITURE		(192,568)	40,590
Other Comprehensive Income/(Loss)		47,299	(13,343)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(145,269)	27,247

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 December 2017

	Notes	2017 \$	2016 \$
Assets			
Current assets			
Cash and cash equivalents	3	7,889,581	8,088,669
Trade and other receivables	4	562,529	538,364
Prepayments	5	628,715	100,066
Total current assets		9,080,825	8,727,099
Non-current assets			
Financial assets available for sale	6	367,931	320,632
Plant and equipment	7	339,166	147,371
Intangibles	8	439,584	351,032
Total non-current assets		1,146,681	819,035
Total assets		10,227,506	9,546,134
Liabilities			
Current liabilities			
Trade and other payables	9	5,783,112	5,066,787
Provisions	10	374,507	304,875
Total current liabilities		6,157,619	5,371,662
Non-current liabilities			
Provisions	11	104,359	63,675
Total non-current liabilities		104,359	63,675
Total liabilities		6,261,978	5,435,337
Net Assets		3,965,528	4,110,797
Equity			
Reserves	14	3,965,528	4,110,797
Total Equity		3,965,528	4,110,797

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 31 December 2017

	Notes	Reserves \$
Balance at 1 January 2016		4,083,550
Excess of revenue over expenditure		40,590
Other comprehensive loss		(13,343)
Balance at 31 December 2016		<u>4,110,797</u>
Excess of revenue over expenditure		(192,568)
Other comprehensive gain		47,299
Balance at 31 December 2017	14	<u>3,965,528</u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 31 December 2017

	Notes	2017 \$	2016 \$
Cash flows from operating activities			
Donations, fundraising and bequests receipts		25,799,081	24,964,575
UNICEF investment grants received		3,232,572	1,817,744
Department of Foreign Affairs and Trade grants received		1,999,289	152,133
Investment income received		127,617	218,854
Other income		3,055	6,973
Project outgoings		(16,661,749)	(17,831,865)
Other outgoings		(14,156,558)	(12,127,937)
Net cash inflow/(outflow) from operating activities		<u>343,307</u>	<u>(2,799,523)</u>
Cash flows from investing activities			
Payments for plant and equipment		(347,963)	(90,108)
Payments for intangibles		(194,432)	(245,077)
Net cash outflow from investing activities		<u>(542,395)</u>	<u>(335,185)</u>
Net increase in cash and cash equivalents		(199,088)	(3,134,708)
Cash and cash equivalents at the beginning of the financial year		8,088,669	11,223,377
Cash and cash equivalents at end of year	3	<u>7,889,581</u>	<u>8,088,669</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

As at 31 December 2017

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1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Australian Committee for UNICEF Limited ("UNICEF Australia"). UNICEF Australia is a company limited by guarantee. The liability of each member of the company is limited to \$1.00.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, the Corporations Act 2001, Australian charities and Not-for-profits Commission Act 2012 and the ACFID Code of Conduct. UNICEF Australia is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Compliance with Australian Accounting Standards – Reduced Disclosure Requirements

The financial statements of UNICEF Australia comply with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board (AASB).

New and amended standards adopted by the Company

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 January 2017 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

Early adoption of standards

The Company has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 January 2017.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2017, and have not been applied in preparing these financial statements.

AASB 9 Financial Instruments

AASB 9 replaces the existing guidance in AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from AASB 139.

AASB 9 is effective for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Company is currently assessing the potential impact on its financial statements resulting from the application of AASB 9.

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 *Revenue*, AASB 111 *Construction Contracts* and IFRIC 13 *Customer Royalty Programmes*.

AASB 15 is effective for annual reporting periods beginning on or after 1 January 2018. The Company is currently assessing the potential impact on its financial statements resulting from the application of AASB 15.

AASB 16 Leases

AASB 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

AASB 16 replaces existing leases guidance including AASB 117 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019. Early adoption will be permitted for entities that also adopt AASB 15 at or before the date of initial application of AASB 16. The Company is assessing the potential impact on its financial statements resulting from the application of AASB 16.

Historical Cost Convention

These financial statements have been prepared under the historical cost basis.

Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical results and other factors, including expectations of future events which are believed to be reasonable under the circumstances. Management has not made significant judgements that could have a material adjustment to the carrying amount of assets and liabilities within the next annual reporting period.

Compliance with ACFID Code

The financial statements of UNICEF Australia comply with the presentation and disclosure requirements of the ACFID Code of Conduct. The ACFID Code is available on the ACFID website www.acfid.asn.au.

Income from inspired gifts in 2017 of \$672,990 (2016: \$622,443) has been reclassified from Other Income to Monetary Donations and Gifts to align with the ACFID Code of Conduct.

(b) Foreign Currency Translation

(i) Functional and Presentation Currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the company's functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into Australian currency using the average exchange rates calculated during the month the transactions take place. Foreign currency account balances are revalued on a monthly basis using the exchange rate prevailing at month end. Foreign exchange gains and losses resulting from the monthly revaluation and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised when the amount of the revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for the major business activities as follows:

(i) Donations and Gifts

Donation revenue is recognised when it is received.

(ii) Bequests and Legacies

Bequests and legacies are recognised when they are received.

(iii) Grants

Grants are recognised as revenue as they are expended on the programs or activities to which they relate. Unexpended grants are recognised as liabilities to reflect the obligation to perform those programs or activities that are yet to be completed.

(iv) Interest Income

Interest income is recognised on time proportion basis using the effective interest rate method.

(v) Non-monetary Donations

The group receives donated services such as voluntary help, community service radio and television announcements, and advertising support.

Where the value of the non-monetary donation is material and a fair value is reasonably determinable the revenue and corresponding expense are recognised when the non-monetary donation is received.

(d) Income Tax

No income tax is payable, as the group has income tax exempt status with the Australian Taxation Office.

(e) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 13). Payments made under operating leases are charged to profit or loss in the periods in which they are incurred.

(f) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, and deposits held at call with financial institutions.

(g) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently at fair value less the provision for doubtful debts. Trade receivables are due for settlement no more than 90 days from date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows.

The amount of the provision is recognised in the statement of comprehensive income as an administration expense. When a trade receivable for which a provision had been recognised becomes uncollectible in a subsequent period, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited against administration expenses in profit or loss.

(h) Plant & Equipment

Plant and equipment are brought to account at historical cost less, where applicable, any accumulated depreciation or amortisation. These assets are depreciated over their useful lives. The gain or loss on disposal

of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of the disposal, and is included in the operating result of the company in the year of disposal.

The rates and basis of depreciation are as follows:

Leasehold Improvements	Straight line	3 years
Plant and Equipment	Straight line	4 years
Motor Vehicles	Straight line	4 years

(i) Intangibles

Intangibles are brought to account at historical cost less, where applicable, any accumulated amortisation. These assets are amortised over their useful lives. The gain or loss on disposal of all intangibles is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of the disposal, and is included in the operating result of the company in the year of disposal.

The rates and basis of amortisation are as follows:

Software	Straight line	4 years
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(j) Other Financial Assets

Other financial assets are classified in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and financial assets available for sale. The classification depends on the purpose for which the assets were acquired. The company has financial assets falling into the category of loans and receivables and financial assets available for sale.

(i) Loans and Receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the Statement of Financial Position (note 4).

(ii) Financial Assets Available for Sale

Financial assets available for sale are any assets which are not classified as financial assets at fair value through profit or loss, held-to-maturity financial assets or loans and receivables. Assets in this category are classified as current assets if they are expected to be settled within 12 months, otherwise they are classified as non-current.

Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Impairment

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of

financial assets that can be reliably estimated.

(k) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition.

(l) Program Funding Payable

Where the company has contracted with an outside entity to undertake an aid project the funds are recorded as income when they are received or receivable (see note 1 (c)). Where funds have been received from that outside party but have not yet been sent to the implementing agency in the field, those funds are held in bank or bank equivalent deposits. They are taken up as a liability in the statement of financial position and are remitted to UNICEF international programs within six months of year end.

(m) Remittances to UNICEF international programs

The company strives to remit the maximum percentage of funds received to UNICEF international programs in accordance with a cooperation agreement. Funds due to UNICEF international programs under this agreement and which have not yet been remitted at balance date are calculated and accrued as a liability.

(n) Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as an expense.

(o) Employee Benefits

(i) Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including annual leave expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long Service Leave

The liability for long service leave is recognised in provisions and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using the Australian Corporate Bond discount rate at the reporting date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflow.

(iii) Retirement Benefit Obligations

All employees of the company are entitled to benefits from superannuation on retirement, death or disability. The company contributes to defined contribution superannuation funds as nominated by the individual employees and these contributions are recognised as an expense as they become payable.

2 Expenditure

Expenditure has been classified by function in accordance with ACFID's guidelines in the Company's statement of comprehensive income. The table below presents expenditure by nature:

	2017 \$	2016 \$
Employee benefits	7,637,769	6,090,413
Equipment and facilities	1,176,433	1,054,496
Travel and accommodation	459,369	321,520
Fundraising, Communication and Advocacy	5,176,575	4,418,524
Depreciation and amortisation	245,908	253,759
Other	570,639	601,142
Programs and projects (domestic and international)	15,246,555	17,067,081
Non-monetary donations	665,728	838,305
	<u>31,178,976</u>	<u>30,645,240</u>

3 Current assets – Cash and cash equivalents

	2017 \$	2016 \$
Cash	1,985,556	1,197,393
Deposits	5,904,025	6,891,276
	<u>7,889,581</u>	<u>8,088,669</u>

4 Current assets - Trade and other receivables

	2017 \$	2016 \$
Trade receivables	13,416	-
Accrued income	88,473	87,174
Provision for impairment	(9,727)	-
Other receivables	470,367	441,616
Receivable - UNICEF PFP	-	9,574
	<u>562,529</u>	<u>538,364</u>

Other receivables include transactions and invoicing other than for the sale of merchandise. The receivables are non-interest bearing. At year end other receivables included \$287,724 (2016: \$310,785) receivable from the tax office for GST credits.

For details on intercompany balances see note 15 on related party transactions and balances.

5 Current assets - Prepayments

	2017 \$	2016 \$
Prepayments - UNICEF PFP	506,852	-
Prepayments - Other	121,863	100,066
	<u>628,715</u>	<u>100,066</u>

6 Non-current assets – Financial assets available for sale

	2017	2016
	\$	\$
Opening value at the start of the year	320,632	333,975
Unrealised gain/(loss) recognised in other comprehensive income	47,299	(13,343)
Closing value at the end of the year	<u>367,931</u>	<u>320,632</u>

Financial assets relate to an investment in a unit trust donated to the company. The investment has been classified as non-current as the purpose of the investment is to retain it in the long term. There are no fixed returns or fixed maturity date attached to this investment.

7 Non-current assets - Plant and equipment

	Lease-hold improvements	Plant and equipment	Motor vehicles	Total
	\$	\$	\$	\$
At 31 December 2016				
Cost	203,092	266,169	16,642	485,903
Accumulated depreciation	(146,799)	(175,397)	(16,336)	(338,532)
Net book amount	<u>56,293</u>	<u>90,772</u>	<u>306</u>	<u>147,371</u>
Year ended 31 December 2017				
Opening net book amount	56,293	90,772	306	147,371
Additions	298,217	49,746	-	347,963
Disposals	-	(16,140)	-	(16,140)
Depreciation charge	(112,899)	(27,053)	(76)	(140,028)
Closing net book amount	<u>241,611</u>	<u>97,325</u>	<u>230</u>	<u>339,166</u>
At 31 December 2017				
Cost	298,217	179,477	16,642	494,336
Accumulated depreciation	(56,606)	(82,152)	(16,412)	(155,170)
Net book amount	<u>241,611</u>	<u>97,325</u>	<u>230</u>	<u>339,166</u>

8 Non-current assets - Intangibles

	Software
	\$
At 31 December 2016	
Cost	702,228
Accumulated amortisation	(351,196)
Net book amount	<u>351,032</u>
Year ended 31 December 2017	
Opening net book amount	351,032
Additions	194,432
Amortisation charge	(105,880)
Closing net book amount	<u>439,584</u>
At 31 December 2017	
Cost	896,660
Accumulated amortisation	(457,076)
Net book amount	<u>439,584</u>

9 Current liabilities - Trade and other payables

	2017	2016
	\$	\$
Trade payables	1,130,775	862,135
Deferred Grants - Department of Foreign Affairs and Trade	1,497,724	45,020
Deferred Grants - UNICEF PFP	17,830	54,688
Program funding payable	3,136,783	4,104,944
	<u>5,783,112</u>	<u>5,066,787</u>

10 Current liabilities - Provisions

	2017	2016
	\$	\$
Annual leave provision	333,312	239,168
Provision for long service leave	39,376	40,679
Provision for make good on leased premises	1,819	25,028
	<u>374,507</u>	<u>304,875</u>

11 Non-current liabilities - Provisions

	2017	2016
	\$	\$
Provision for long service leave	64,359	63,675
Provision for make good on leased premises	40,000	-
	<u>104,359</u>	<u>63,675</u>

Movements in Provision for make good on leased premises

Movements in make good provisions during the financial year are set out below:

	Make good - Current \$	Make good - Non Current \$	Total \$
Carrying amount at the start of the year	25,028	-	25,028
Increase in provision	-	40,000	40,000
Provision transferred	-	-	-
Provision written back	(23,209)	-	(23,209)
Carrying amount at the end the year	<u>1,819</u>	<u>40,000</u>	<u>41,819</u>

12 Contingencies

There are no contingent liabilities at balance date.

13 Commitments

(a) Lease commitments - non-cancellable operating lease

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2017 \$	2016 \$
Within one year	478,748	161,505
Later than one year but not later than five years	707,616	127,691
	<u>1,186,364</u>	<u>289,196</u>

Operating leases

The company moved premises during the year. It currently leases premises under an operating lease expiring in less than 5 years. The company also leases various plant and machinery under non-cancellable operating leases.

14 Reserves

Reserves are established to ensure that UNICEF Australia is able to meet its commitments, obligations and other contingencies, and deliver on its objectives in the unanticipated event of significant financial difficulties. It is UNICEF Australia's policy to retain only sufficient reserves to safeguard the continuity of its operations. The board of UNICEF Australia reviews and approves the level of reserves held periodically.

15 Related party transactions

(a) Transactions with related parties

The following transactions occurred with related parties:

Nature of Relationship and Transactions

UNICEF

The Company is a UNICEF National Committee, one of 34 such Committees around the world. The Company's operations are subject to performance in accordance with the cooperation agreement with UNICEF. Under this agreement the Company strives to remit 75% of funds raised to UNICEF international programs.

	2017 \$	2016 \$
<i>Outstanding balances arising from transactions:</i>		
Aggregate amount payable to UNICEF international programs at balance date	3,136,783	4,104,944
Aggregate amounts receivable from UNICEF PFP at balance date	-	9,574

	2017	2016
	\$	\$
<i>Value of transactions:</i>		
During the year UNICEF PFP approved and remitted funds to the company to undertake market development and fundraising activities. Funds unspent at year end remain a liability to UNICEF Australia until spent.	17,830	54,688
Total funds remitted to UNICEF international programs during the period	15,246,555	17,007,081
During the year UNICEF PFP approved funds to the company to undertake market development and fundraising activities. Total expenditure funded by UNICEF PFP during the year	3,269,430	3,956,286
Reimbursement by UNICEF for expenses incurred	15,760	27,219
Payments to UNICEF Mutual Assistance Fund	-	7,261
Payments to UNICEF during the year	3,012	-
UNICEF or a National Committee may on occasion enter into a fundraising relationship with a global company that operates in multiple markets in which other National Committees have a presence. Where revenue is collected centrally it is then soft credited to the National Committee in whose market the funds were raised, as income and recognised as a 100% contribution back to UNICEF international programs. In 2017 the company received soft credits from a multitude of global corporate partners.		
Soft Credited Income received, also included in funds remitted to UNICEF international programs	573,614	485,843
Soft Credited Income paid to UNICEF	-	36,097

UNICEF National Committees & Country Offices

On occasion the company transacts directly with other UNICEF committees and offices.

Outstanding balances arising from transactions:

Amount receivable from the UNICEF USA office for expenses incurred locally	13,416	-
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Value of transactions:

Reimbursement by the UNICEF South Africa country office for cost of UNICEF Australia staff travel to South Africa	-	4,038
Payment to the UNICEF Cambodia country office for expenses incurred locally	1,641	2,010

Key Management Personnel

Key management personnel are those persons who have the authority and responsibility for planning, directing and controlling the activities of the Company.

	2017	2016
	\$	\$
<i>Value of transactions:</i>		
Compensation for key management personnel:		
- short term benefits	871,514	635,278
- post-employment benefits (superannuation contributions)	82,862	60,351
- termination benefits	-	-
Total compensation for key management personnel	954,376	695,629

Directors' Transactions

The directors of UNICEF Australia serve voluntarily and do not receive any remuneration for their services as directors. Expenses incurred by directors on behalf of the company are reimbursed on a cost only basis. An amount of \$3,900 (2016: \$3,900) was paid for Directors and Officers liability insurance.

Mr John Stewart is Managing Director of SEMA Holdings. During the year, UNICEF Australia received non-monetary support from SEMA of \$4,000 (2016: \$9,230) and made payments of \$11,000 (2016: \$9,500) for professional services. Mr Stewart did not receive any benefit from this association.

Mr Matt Comyn is Chief Executive Officer, of the Commonwealth Bank of Australia (CBA). During the year, UNICEF Australia received interest from CBA of \$39,863 (2016: \$87,170) and made payments of \$23,978 (2016: \$31,312) for bank fees. Mr Comyn did not receive any benefit from this association.

Ms Olivia Worth is Group Executive of Brand, Marketing and Corporate Communications at Qantas Airways Ltd. During the year, UNICEF Australia received donation income and non-monetary support from Qantas of \$101,545 (2016: \$116,240). Ms Worth did not receive any benefit from this association.

No provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

16 Economic dependency

The operations of the company depends to a significant extent on the use of the UNICEF name, which is granted under a Cooperation Agreement with UNICEF.

17 Fundraising appeals income and expenses

Donation income includes funds raised for UNICEF programs from public appeals, the UNICEF Global Parent monthly giving program, UNICEF Change for Good, UNICEF Checkout for Children, other corporate partnerships and legacies and bequests.

Non-monetary donations includes donated services such as pro-bono legal and research services, voluntary help, community service radio and television announcements, and advertising support. Where the value of the non-monetary donation is material and a fair value is reasonably determinable, the revenue and corresponding expense are recognised when the non-monetary donation is received. As the non-monetary donation is not a cash donation and cannot be allocated to programs (or otherwise) the value has been excluded from the analysis below.

	2017		2016	
	\$		\$	
Gross Proceeds from Fundraising Activities ¹	25,053,335		23,585,781	
Less: Total Costs of Fundraising ²	7,065,463		5,385,521	
Net Surplus	17,987,872		18,200,260	
 ^{1&2} Excludes legacies & bequests and non-monetary donations				
Total Costs of Fundraising	7,065,463		5,385,521	
Gross proceeds from fundraising	25,053,335	28%	23,585,781	23%
Net surplus from fundraising	17,987,872		18,200,260	
Gross proceeds from fundraising	25,053,335	72%	23,585,781	77%

Appeals in which traders were engaged UA used external agencies for Face to Face and Telemarketing Recruitment of Global Parents in 2017

Gross Income ³	4,869,212	2,749,967
Direct Costs	1,855,754	982,218

³ Gross income has been extrapolated to reflect the full expected benefit from the acquisition of a Global Parent assuming an average monthly gift of \$39.09 (2016: \$31.95) and attrition of 2.04% per month (2016: 1.22%)

18 Events occurring after the balance sheet date

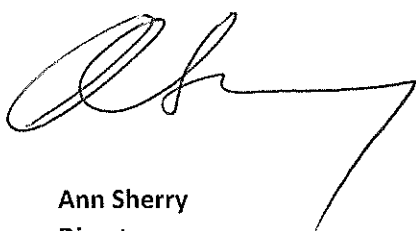
No matters have arisen since the end of the financial year which have a material impact on these financial statements and notes as presented.

Directors' declaration

In the opinion of the directors of Australian Committee for UNICEF Limited (the Company):

- (a) the financial statements and notes that are set out on pages 1 to 26 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013 ; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (c) the accounts give a true and fair view of all income and expenditure with respect to fundraising appeals;
- (d) the provisions and regulations of the Charitable Fundraising Act 1991 (NSW) and the conditions attached to the fundraising authority have been complied with by the company; and
- (e) the internal controls exercised by the company are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

Signed in accordance with a resolution of the directors:



Ann Sherry
Director

Sydney
9 May 2018



Independent Auditor's Report

To the members of Australian Committee for UNICEF Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report**, of Australian Committee for UNICEF Limited (the Company).

In our opinion, the accompanying **Financial Report** of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- i. giving a true and fair view of the Company's financial position as at 31 December 2017, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. Statement of financial position as at 31 December 2017.
- ii. Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Directors' declaration of the Company.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.



Other information

Other Information is financial and non-financial information in Australian Committee for UNICEF Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosures Requirements and the ACNC.
- ii. Preparing the Financial Report in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991 and Regulations and with Section 15(1) and 15(2) of the WA Charitable Collections Act 1946 and Regulations 1947 (the Acts and Regulations).
- iii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iv. Assessing the Company's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

As part of an audit in accordance with the Australian Auditing Standards, the auditor exercises professional judgement and maintains professional scepticism throughout the audit. The auditor also:

- i. Identifies and assesses the risks of material misstatement of the financial report, whether due

to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ii. Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- iii. Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- iv. Concludes on the appropriateness of those charged with governance's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- v. Evaluates the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

Report on Other Legal and Regulatory Requirements

Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion:

- i. the Financial Report gives a true and fair view of the Company's financial result of fundraising appeal activities for the financial year ended 31 December 2017;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 January 2017 to 31 December 2017, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- iii. money received as a result of fundraising appeal activities conducted during the period from 1 January 2017 to 31 December 2017 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- iv. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.



Opinion pursuant to the Charitable Collections Act (WA) 1946 and Charitable Collections Regulations (WA) 1947

In our opinion, the Company has complied, in all material respects, with the requirements of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947* for the year ended 31 December 2017.

KPMG

KPMG

Stephen Isaac

Partner

Sydney

9 May 2018